

EXHIBIT C



RLI Surety | A division of RLI Insurance Company
Claims Department | P.O. Box 3961 | Peoria, Illinois 61612-3961
Phone: 309-692-1000 | Toll Free: 877-523-3795 | Fax: 309-686-2059
www.rlicorp.com

SCANNED JUL 28 10:41

July 27, 2004

Mr. Christian McCone
EDIS Company
110 South Poplar Street
Suite 400
P.O. Box 2697
Wilmington, DE 19805

RE: Principal: McDaniel Plumbing & Heating
Project: Sussex Central High School
Obligee: Indian River School District
Bond No.: SSB 365837
Claim No.: 163615

RECEIVED
JUL 28 2004
CLAIMS DEPT.

Dear Mr. McCone:

As you are aware, RLI Insurance Company issued the performance and payment bonds for the above-referenced project. Be advised that RLI has been receiving an increasing amount of claims against the payment bond.

As a consequence of these claims, as well as the likelihood of future claims, RLI is exposed to losses under the bonds furnished on behalf of McDaniel Plumbing and Heating for this project. Therefore, at this time, RLI demands that you release no further funds arising from the above-referenced contract without the advanced written consent and direction of RLI. We make this demand based on RLI's right of equitable subrogation as well as the terms of the Agreement of Indemnity executed between RLI and McDaniel Plumbing and Heating.

Please confirm the status of the contract balances and any pending payment applications on this project and your willingness to honor RLI's rights to these funds. In the event you are not willing to agree to RLI's priorities over these funds, please advise me so in writing immediately.

Be advised that RLI Insurance expressly reserves any and all rights and defenses it has in connection with this matter.

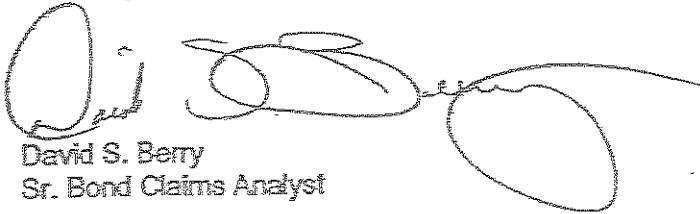
Your anticipated cooperation is appreciated.



INNOVATIVE

Mr. Christian McCone
July 27, 2004
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Sincerely,

A handwritten signature in black ink, appearing to read "David S. Berry". The signature is fluid and cursive, with a large loop at the end.

David S. Berry
Sr. Bond Claims Analyst

cc: Indian River School District
Harry R. Blackburn, Esq.
Lou Baldassarre, CSF LLC